

LETTER

FROM

THE SECRETARY OF THE TREASURY,

TRANSMITTING,

In response to Senate resolution of January 22, 1889, information relative to claims of officers and men of the Navy for extra allowance.

JANUARY 28, 1889.—Laid on the table and ordered to be printed.

TREASURY DEPARTMENT,
January 28, 1889.

SIR: I have the honor to acknowledge receipt of the resolution of the Senate of the 22d instant, calling for information and statement from this Department concerning claims for extra allowances to officers and men of the Navy, based on sea service on receiving-ships, and to transmit, for the information of the Senate, the reports made by the Fourth Auditor and the Second Comptroller upon the subject in question.

Respectfully, yours,

HUGH S. THOMPSON,
Acting Secretary

THE PRESIDENT PRO TEMPORE UNITED STATES SENATE.

TREASURY DEPARTMENT,
FOURTH AUDITOR'S OFFICE,
Washington, D. C., January 24, 1889.

SIR: In response to a resolution of the United States Senate, dated January 22, 1889, and referred to this office, I have the honor to submit the following report:

A statement showing the total gross amount of such claims which have recently been allowed by the accounting officers of the Treasury.

The total amount of all receiving-ship cases allowed since the decision of Supreme Court in the Strong case is about \$450,000 up to date.

The total amount of such claims which have been paid.

I can not tell how much of this amount has been actually paid, but it is presumed that so much as was payable from existing appropriations, and the amount appropriated for in the last deficiency bill, has been paid. A more definite answer to this question can not be given unless more time to prepare it is taken than is consistent with the Senate resolution.

The total amount of such claims now pending.

There are about 441 claims pending, but it is impossible to state what amount will be required to pay them until each claim has been settled.

And any estimate which may have been made in the Treasury Department of the probable total amount of all such claims.

No estimate has been made of the probable total amount of all such claims, and it is impossible to make one that would be at all correct or satisfactory.

Have any lists of such probable claims for sea pay and allowances for services on receiving-ships been prepared in advance of the presentation of the claimants of their demands; and, if so, why such lists have been prepared?

No such lists have been prepared. But immediately after the decision of the Supreme Court allowing sea pay to officers serving on receiving-ships a very large number of claims of this character was filed. In order to settle these cases it was necessary to examine the roll of the receiving-ship on which the officer served. I instructed the clerks whose business it was to trace these rolls to take a memorandum of all the officers on said roll. This was done for the purpose of saving time and labor in going over the roll in each individual case.

And whether or not clerks have worked evening or otherwise out of office hours in the preparation of the same.

They have not.

And whether or not copies of such lists or access to them or any knowledge of their contents have been allowed to or obtained by attorneys or claim agents; if so, who are such attorneys or claim agents?

I have examined all persons who have anything to do with the settlement of the receiving-ship cases, or who would be able to know anything about such, and they state upon honor that they have not given any copy of, or access to, or any information about, the contents of any list or any information whatever to any attorney, claim agent, or other person.

And further, whether or not any such claimants have, to the knowledge of the Treasury Department, paid, or made bargains to pay, commissions to attorneys or claim agent for collecting their claims; if so, what percentages have been agreed upon?

I know nothing of the contracts, or whether there is any contract, between claimants and their attorneys or agents unless the power of attorney specifies. I find upon examination that some of the powers of attorney specify 10 per cent. and others say nothing about fees at all. In the settlement of claims no attention is paid to any agreement between parties. In the event any fee is deducted for an attorney, it is in accordance with a regulation of this Department, which allows 10 per cent. on the first \$200, 5 per cent. on balance up to \$800, and not more than \$50 in any case. Some attorneys have requested the Second Comptroller not to deduct any fee in cases they represent. When authorized by the Comptroller I follow that rule.

Whether or not attorneys or claim agents have inserted advertisements in the newspapers inviting correspondence from the heirs of officers or men of the Navy supposed to be entitled to extra allowances on account of sea service on receiving-ships; and, if so, whether, to the knowledge of the Department, such advertisements have been prepared after the attorneys or agents have obtained access to or knowledge of lists of claimants from the accounting officers of the Treasury Department.

I have no knowledge of such advertisements, and if such advertisements have appeared in any newspaper I have never seen them, and they must have been prepared from information derived from some other source than this office.

In reply to the last question as to "all other material facts on the subject of receiving-ship claims," I would suggest that attorneys or claim agents could get all the information necessary in such claims from Naval Registers and other publications, as said registers show the names of those on receiving-ships and what ship they were on, and the pay table in any register shows the amount of pay of any officer and man in the Navy.

However, as the attorneys who prosecute cases of this kind are able and may be willing to state where they procured information, I append a list of the principal attorneys and agents who practice before this office.

Having every confidence in all the employes in this bureau, I feel sure that none of them have given out any information to any person.

Very respectfully,

C. M. SHELLEY,
Auditor.

Hon. C. S. FAIRCHILD,
Secretary of the Treasury.

List of principal attorneys and agents who practice before this office.

Jones & Lines, J. W. Stryker, Linden Kent, Ward Thoron, Wm. F. Stidham, Tallmadge & Tallmadge, Samuel Pollock, John S. Blair, A. M. McBlair, all of this city; and Ferdinand Mullan, of Annapolis, Md.

TREASURY DEPARTMENT,
SECOND COMPTROLLER'S OFFICE,
Washington, D. C., January 26, 1889.

SIR: By indorsement of the Assistant Secretary of the Treasury, dated January 23, I am in receipt of Senate resolution of January 22, requesting the Secretary of the Treasury to furnish to the Senate certain information "concerning claims for extra allowances to officers and men of the Navy based on sea service on receiving-ships," together with a statement of facts relative to the methods of preparing estimates of the probable amount of such claims now pending, etc.

The examination and adjustment of Navy accounts and claims in this office is now, and has been for many years, in charge of George H. French, who was appointed in 1867 and promoted to his present post July 1, 1887. He is assisted by Castalio Hosmer, appointed November 18, 1863; Oscar Bielaski, appointed July 3, 1867; Henry C. March, appointed February 1, 1878; and Charles T. Miller, recently appointed upon certification by the Civil-Service Commission. These clerks, together with Mrs. Arabella E. Burns, a copyist, appointed July 5, 1883, constitute the entire force of the division.

I inclose to you the report submitted to me by the chief of the division, who was directed to make clear and specific answers to all questions contained in the Senate resolution, so far as they related in any way to the transactions of the division.

I have no reason to question the accuracy of the statements made by Mr. French, especially his statement that no clerks in the division have worked in the office, either at night or out of regular office hours, as they could not have been admitted to the Department without passes given either by the Deputy Comptroller or by myself.

During my incumbency of this office I have constantly endeavored to enforce the rule that no attorney or agent should communicate with clerks or employes, transact any public business whatsoever except with the head of the office, or to be admitted to the rooms of the office without permission of the Comptroller or Acting Comptroller.

If any one in this office has furnished to claimants, attorneys, or agents information to aid them in making up claims against the Government, or contributed in any way whatsoever, directly or indirectly, to the prosecution of claims, it has been without my knowledge, and certainly in violation of the rules of the Department.

The Senate resolution is herewith returned.

I am, sir, your very obedient servant,

SIGOURNEY BUTLER,
Comptroller.

Hon. CHARLES S. FAIRCHILD,
Secretary of the Treasury.

TREASURY DEPARTMENT,
SECOND COMPTROLLER'S OFFICE,
Washington, D. C., January 25, 1889.

SIR: Pursuant to your direction that I should report to you all the transactions of this division affected in any way by Senate resolution of the 22d instant, calling on the Secretary of the Treasury for "a statement concerning claims for extra allowances to officers and men of the Navy based on sea service on receiving-ships," and referred to this office by the Secretary of the Treasury on the 23d instant, I have the honor to submit the following:

- (1) The gross amount of claims allowed to date is about \$450,000.
- (2) I am unable to state how much has been paid on account of such claims.
- (3) This office has no means of knowing how many claims for extra allowances to officers and men based on sea-service on receiving-ships are now pending, as all claims are first presented to the Fourth Auditor.
- (4) This office has made no estimate of the probable total amount required to pay such claims; nor do the records of the office contain information upon which to base a calculation.
- (5) No list or lists of such probable claims for sea pay and allowances for service on receiving-ships have been made by any clerk engaged on Navy accounts in this office.
- (6) No clerk or clerks in the Navy division of this office have worked evenings, or otherwise out of office hours, in preparing a list of such probable claims for sea pay and allowances on receiving-ships.
- (7) No information has been given by any clerk of the Navy division to any attorney or claim agent in reference to any claim or claims for sea pay and allowances on receiving-ships, or any other class of Navy claims pending in this office.
- (8) Under the rules of the Department, all attorneys or agents authorized to practice before it are registered, and when appointed by a claimant to prosecute his claim, such attorney or agent is allowed a fee of 10 per cent. on the first \$200 and 5 per cent. on the balance, but not to exceed \$50, and in no case is a larger fee allowed by the accounting officers. The fee is deducted in the settlement of the claim, and when payment is made a check for the amount due the attorney as his fee is sent to him, and the balance is sent direct to the claimant. In no case

is a check or draft for the amount found due the claimant allowed to go into the hands of an attorney or agent, except by special direction of the Secretary of the Treasury.

(9) When an attorney or agent requests the Comptroller to make no deduction of fees in the settlement of claims in which he appears as attorney or agent, but to send a draft for the full amount direct to the claimants, the request is granted, and it then becomes a matter between the claimant and his attorney or agent as to fees; and this office has received no complaint from claimants that they have been charged an excessive fee, and it consequently has no knowledge as to what fees are charged by the attorneys or agents.

(10) I have no personal knowledge of advertisements being inserted in the newspapers inviting correspondence from heirs of officers or men of the Navy supposed to be entitled to extra allowances on account of sea service on receiving-ships; and if such advertisements have been inserted in the newspapers it is not from any lists of claimants furnished by any clerk or person employed on Navy accounts in this office, as no such list or lists have been prepared by any person engaged on naval accounts in this office.

(11) The principal attorneys and agents representing Navy claimants before this office are John Paul Jones, Robert B. Lines, J. W. Stryker, Linden Kent, W. F. Stidham, Messrs. Tallmadge & Tallmadge, and Samuel Pollock; and I presume, if called upon, they will be able to explain from what source they obtained their information in relation to officers' claims for sea pay and allowances on receiving-ships.

For more than forty years the annual Navy Register, published by the Navy Department, has given a list of all receiving-ships, and of the officers employed thereon, and is accessible to any one desiring information on matters relating to stations of naval officers. In addition to this there are several private publications from which such information can be obtained.

I am, sir, very respectfully,

GEO. H. FRENCH,
Chief of Navy Division.

Hon. SIGOURNEY BUTLER,
Second Comptroller.

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